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Message Text

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12
ACTION EB-11

INFO OCT-01 NEA-14 ISO-00 COME-00 TRSE-00 AID-20 STR-08

PM-07 NSC-07 SP-03 SS-20 RSC-01 CIAE-00 DODE-00

INR-11 NSAE-00 PA-04 USIA-15 PRS-01 DRC-01 /124 W
---------- 030959
R 050710Z SEP 74
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC 0777
USDA WASHDC
INFO USDOC WASHDC
AMEMBASSY BEIRUT

UNCLAS KUWAIT 3735

FOR FAS/C AND F/ROBERT BIEBER AND DAN SHEPPARD

EO 11652: NA
TAGS: EPAP KU
SUBJ: CONTINENTAL GRAIN MAKES LARGE RICE SALE IN KUWAIT

REF: A) KUWAIT 2581; B) KUWAIT 2502; C) KUWAIT 2443; D) KUWAIT
2338

1. EMBASSY INFORMED BY GM OF LARGELY GOK-OWNED KUWAIT SUPPLIES CO THEY HAVE CONTRACTED TO PURCHASE 12,000 MT LONG GRAIN NO 2 WHITE RICE AT $520 PER TON FROM CONTINENTAL GRAIN. THIS PURCHASE WHICH TO BE DELIVERED BY LATE OCTOBER COMES ON HEELS OF KSC JUNE PURCHASE OF 10,000 MT CAROLINE RICE FROM RIVIANA FOODS AT $605 A TON AND REPRESENTS A GEOMETRIC INCREASE IN U.S. RICE SALES OVER THE LAST CALENDAR YEAR FIGURES AVAILABLE (1972) WHICH SHOWED KUWAIT IMPORTING 54,000 MT OF RICE OF WHICH ONLY APPROX 4,200 MT CAME FROM U.S. SOURCES. OF FURTHER SIGNIFICANCE IS FACT THAT MUCH OF U.S. RICE PREVIOUSLY PURCHASED WAS FOR RE-EXPORT, WHEREAS KSC PURCHASES ARE SUBSIDIZED AND INTENDED SOLELY FOR THE DOMESTIC MARKET.

2. AUGUST 73 VISIT TO REGION BY USDA'S JOHN PARKER LED HIM TO
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PREDICT PERSIAN GULF LITTORAL STATES AS NEW GROWTH MARKET FOR

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U.S. RICE EXPORTERS. WOULD NOW APPEAR, AT LEAST IN KUWAIT,
HIS OPTIMISTIC FORECASTS WERE JUSTIFIED.

3. AT THIS JUNCTURE U.S. RICE AND RICE EXPORTERS WILL BE ON TRIAL
IN THE LOCAL MARKET AND FUTURE LARGE SALES WILL HINGE ON THEIR
PERFORMANCE. WHILE THERE IS LITTLE TO BE DONE ABOUT THE FORMER
WE CAN POSITIVELY AFFECT THE LATTER. WE UNDERSTAND RIVIANA
EXPERIENCING PROBLEMS IN LOCATING ADEQUATE CARGO SPACE. STRONGLY
SUGGEST USDA CONTACT BOTH RIVIANA AND CONTINENTAL TO HELP INSURE
TIMELY DELIVERIES OF RICE SPECIFIED IN GOOD CONDITION. EMBASSY,
AIDED BY RECENT VISITS MESSRS SHEPPARD AND OLSON AND RICE COUNCIL'S
SI GRIDER, HAS DEVELOPED VERY GOOD RELATIONS WITH KSC, AND WE
WISH TO KEEP IT THAT WAY.
STOLTZFUS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RICE, EXPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974KUWAIT03735
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740246-0032
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740973/aaaacjrl.tel
Line Count: 75
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: A) KUWAIT 2581; B) KUWAIT 2502; C) K, UWAIT 2443; D) KUWAIT
Review Action: RELEASED, APPROVED
Review Authority: martinjw
Review Comment: n/a
Review Content Flags:
Review Date: 25 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 JUN 2002 by maustmc>; APPROVED <28 JAN 2003 by martinjw>
Review Markings:

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US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CONTINENTAL GRAIN MAKES LARGE RICE SALE IN KUWAIT
TAGS: EPAP, KU, KUWAIT SUPPLY CO
To: STATE AGR
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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